

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6410-03
Bill No.: HB 2544
Subject: Hospitals; Employees - Employers; Physicians; Health Care Professionals;
Nurses; Mental Health
Type: Original
Date: March 15, 2016

Bill Summary: This proposal requires all hospitals to survey all medical staff annually for the prevalence of depression and burnout.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	(Unknown greater than \$600,000)	(Unknown greater than \$600,000)	(Unknown greater than \$600,000)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to the current proposal:

Officials from the **Cass Regional Medical Center** state they don't know what the cost of these screenings would be. An estimate ranges from \$100 to \$500 per provider. Assuming the hospital had to give this screening to 200 providers on its medical staff, the cost would range from \$20,000 to \$100,000 annually.

Officials from the **Golden Valley Memorial Hospital (GVMH)** estimate that GVMH has 350 hospital medical staff and, assuming a cost of \$150 per person, this proposal could cost the hospital \$52,500 annually. In addition, GVMH believes it would have to consider staff's time to obtain the screening which is anticipated to be about 1 hour each. Assuming 350 staff X 1 hour X \$35 per hour, this additional expense is estimated to be \$12,250. Based on these estimates, GVMH assumes the proposal could actually cost close to \$100,000 annually to administer.

Officials from the **Washington County Memorial Hospital** responded to **Oversight's** request but did not provide an estimate of potential costs.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Oversight notes that there are 30 hospitals in the state of Missouri that are owned by local political subdivisions. This legislation will impact those hospitals. For fiscal note purposes, **Oversight** assumes an unknown fiscal impact that would exceed \$600,000 annually for the local political subdivisions that operate these hospitals (\$20,000 X 30 hospitals) and could exceed \$3 million annually (\$100,000 X 30 hospitals). The proposal provides that each hospital in the state shall conduct an annual screening of all hospital medical staff, including, but not limited to physicians and physicians-in-training. In addition, 600,000 third-party contractor costs are to be borne by each hospital.

Oversight assumes the proposal will have no fiscal impact on the General Revenue Fund since all third-party contract costs are to be borne by the hospitals.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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**POLITICAL SUBDIVISIONS -
 VARIOUS**

Costs - Hospitals

Screening costs for depression and
 burnout

<u>(Unknown greater than \$600,000)</u>	<u>(Unknown greater than \$600,000)</u>	<u>(Unknown greater than \$600,000)</u>
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**ESTIMATED NET EFFECT ON
 POLITICAL SUBDIVISIONS -
 VARIOUS**

<u>(Unknown greater than \$600,000)</u>	<u>(Unknown greater than \$600,000)</u>	<u>(Unknown greater than \$600,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

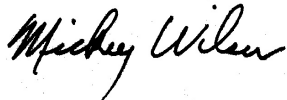
FISCAL DESCRIPTION

This bill requires each hospital in Missouri to conduct voluntary annual screening of all hospital medical staff using the Center for Epidemiologic Studies Depression Scale Revised (CESD-R) and the Maslach Burnout Inventory (MBI). An independent third party, hired by the Department of Health and Senior Services, must conduct the screenings, collect relevant data, and compile the results for each hospital. Collected data is to remain confidential and, if authorized, released only in an aggregate form such that it cannot be used to identify any specific individual but shall be hospital specific.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Administrative Rules
Cass Regional Medical Center
Golden Valley Memorial Hospital
Washington County Memorial Hospital

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 15, 2016

Ross Strobe
Assistant Director
March 15, 2016